

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: PROPOSED DISPOSITION AND PROPOSED PRICE
FOR A REHABILITATION DISPOSITION PARCEL IN THE
WASHINGTON PARK URBAN RENEWAL AREA
PROJECT NO. MASS. R-24

WHEREAS, the Boston Redevelopment Authority, hereinafter referred to as the "Authority" has entered into a contract for loan and grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance to the hereinafter identified project; and

WHEREAS, the Urban Renewal Plan for the Washington Park Urban Renewal Area, Project No. Mass. R-24, hereinafter referred to as the "Project Area", has been duly reviewed and approved in full compliance with local, state, and federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, creed or national origin; and

WHEREAS, two (2) independent reuse appraisals of the value of 501 Warren Street, a proposed rehabilitation parcel, in accordance with the objectives and controls of the Urban Renewal Plan for the Project Area have been obtained; and

WHEREAS, King-Bison Company of 247 Atlantic Avenue, Boston, a firm specializing in the rehabilitation of substandard buildings, has submitted a proposal to purchase and rehabilitate the property located at 501 Warren Street, Roxbury, hereinafter referred to as the "Property";

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That said King-Bison Company is hereby designated as Redeveloper of the Property subject to:

- (a) Concurrence in the proposed disposal transaction by Department of Housing and Urban Development.
- (b) Publication of all public disclosures and issuance of all approvals required by the Massachusetts General Laws and Title I of the Housing Act of 1949, as amended.
- (c) Receipt within 45 days of finding by FHA of mortgage insurance feasibility.

2. That disposal of said parcel by negotiation is the appropriate method of making land available for redevelopment.

3. That it is hereby determined that King-Bison Company possesses the qualifications and financial resources necessary to acquire and develop the land in accordance with the Urban Renewal Plan for the project area.

4. That the Development Administrator is hereby authorized for and in behalf of the Authority to execute and deliver a Land Disposition Agreement for 501 Warren Street between the Authority as Seller and King-Bison Company as Buyer in consideration of a purchase price of Four Thousand (\$4000) Dollars (subject to HUD concurrence) and the Buyer's agreement to commence rehabilitation of the Property in accordance with Authority standards within sixty (60) days of the date of conveyance and completion within two hundred seventy (270) days thereafter, such Agreement to be in the Authority's usual form and to contain such other and further terms and provisions as the Development Administrator shall deem proper and in the best interests of the Authority;

That the Development Administrator is further authorized to execute and deliver a deed conveying said Property pursuant to such Disposition Agreement; and that the execution by the Development Administrator of such agreement and deed to which a Certificate of this vote is attached, shall be conclusively deemed authorized by this Resolution and conclusive evidence that the terms and provisions thereof are by the Development Administrator deemed proper and in the best interests of the Authority.

5. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(e) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).

6. That the following proposed price is hereby approved and determined to be not less than the fair value of the parcel for use in accordance with the Urban Renewal Plan for the Project Area:

Parcel
501 Warren Street

Minimum Disposition Price
\$4000.00

October 27, 1966

TO: Boston Redevelopment Authority

FROM: Edward J. Logue, Development Administrator

SUBJECT: REQUEST FOR MINIMUM DISPOSITION PRICE AND
DESIGNATION OF REHABILITATION DEVELOPER
WASHINGTON PARK R-24

SUMMARY: This memo requests a new minimum disposition price for the rehabilitation property at 501 Warren Street. It also requests the designation of a rehabilitation developer.

In February of 1965 the Authority recommended a minimum disposition price of \$14,000 for the property located at 501 Warren Street, a tax foreclosed property which was acquired by the Authority for \$13,800 and which was to be sold for rehabilitation. This disposition price was subsequently approved by the Department of Housing and Urban Development.

In accordance with Authority policies and procedures, the property was offered to displaced families, project residents and eventually developers for the purpose of purchase and rehabilitation. Two developer designations were made, the latest on November 12, 1965, but neither developer could complete the transaction either because of the difficulty of obtaining necessary financing or because their cost estimates for rehabilitation exceeded the Authority's estimate.

The difference in rehabilitation cost estimates was due primarily to the fact that the proposed developers were attempting to accomplish much more than what was required by the Authority's work write-up which was directed primarily at removing code violations. In view of the fact that the property continued to deteriorate since the first rehabilitation cost estimate and since general costs have risen, a new estimate was prepared by the Authority in 1966. The new cost estimate totals \$10,868 which is \$5,000 higher than the original estimate. Based upon market indications, the new estimate, which is again directed at removing code violations, and new federal rehabilitation appraisal procedures, new reuse appraisals have been completed.

Larry Smith and Co. indicates a fair value of \$1,132 while Peter A. Laudati, Jr., appraised the property at \$4200. Despite the risk factor involved in rehabilitation and the continuing rise in costs, it is felt that a recommended minimum disposition price of \$4,000 is appropriate in view of the fact that this property will contain six income-producing dwelling units.

In order to avoid further delay and to prevent further deterioration of the property, the previous developers who expressed an interest in this property were contacted. The only developers re-expressing an interest in purchasing the property and rehabilitating it in accordance with Authority standards, including giving first preference for rental or purchase to displaced families, were the King-Bison Company of 247 Atlantic Avenue and Warren Construction Co., Inc.

Although both firms have experience in the rehabilitation of properties and are financially capable, it is felt that the King-Bison Company represents a more favorable choice for the Authority in this instance because of its rapid and excellent performance on the rehabilitation of properties which it purchased from the Authority on Catawba Street.

It is therefore recommended that the Development Administrator be authorized to execute a Land Disposition Agreement and Deed and that it designate the King-Bison Company as the rehabilitation purchaser of 501 Warren Street subject to the conditions and requirements of rehabilitation as established by the Authority and subject to HUD approval of a minimum disposition price of \$4,000.

An appropriate Resolution is attached.

Attachment